

# ALSTON & BIRD LLP

VIA E-MAIL:

TO: Small Business Cigar Coalition

FROM: Marc J. Scheineson, Esq.  
Brendan M. Carroll, Esq.

DATE: November 22, 2013

RE: Meeting with OMB-OIRA

## A. Background

On November 21, 2013, representatives of the Small Business Cigar Coalition (SBCC) met with officials in the Office of Information and Regulatory Affairs (OIRA) within the Office of Management and Budget (OMB). The purpose of the meeting was to provide information to OMB in connection with its consideration of a rule proposed by the Food and Drug Administration (FDA) to deem the provisions of the Family Smoking Prevention and Tobacco Control Act (TCA) applicable to cigars.

## B. Participants

### OMB-OIRA

Marcy Malanoski, OIRA-Chief, Health, Transportation and General Government  
Mary Fitzpatrick, Economist  
Andrew Perraut, Policy Analyst

### FDA

Kate Collins, Regulatory Counsel, FDA-CTP (via teleconference)

### SBCC

Kevin Altman (Executive Director, SBCC)  
Ralph Brown (Cheyenne International)  
F. Tobias Tedrowe (Good Times USA)  
Marc J. Scheineson, Esq. (Alston & Bird)  
Brendan M. Carroll, Esq. (Alston & Bird)

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**C. Overview**

OIRA commenced the meeting, which lasted approximately 45 minutes, by stating that the FDA proposed deeming rule was under active review under Executive Order 12866 (related to cost-benefit analysis) and that OIRA could not comment on the content of the rule beyond asking questions based on the information provided by SBCC and others.

SBCC reviewed information contained in the talk paper (attached) including recent 2012-2013 statistical data from: (1) the Substance Abuse and Mental Health Services Administration (SAMHSA) of the National Institutes of Health (NIH); (2) Department of Treasury-Alcohol Tax and Trade Bureau (TTB); and (3) company experience, showing a decline in cigar smoking and sales among adults and underage smokers. The purpose of this discussion was to demonstrate that pervasive press and congressional accounts of the underage use of flavored cigars (in order to create a strong public health rationale for the cigar rule) was not supported by large government databases. SBCC presenters also summarized differences between cigars and cigarettes, existing regulation, experience with FDA regulation of cigarettes and areas in which cigar regulation must be tailored to include a new set of effective dates and transition dates.

When discussing demographics, Mr. Scheineson indicated that cigar smokers tended to be older, more affluent (in the case of large hand-rolled cigars), and generally were not under aged.

**OIRA: Ms. Malanoski asked if this was also true for cigarillos?**

**OIRA: Are cigars sold in convenience stores and vending machines like cigarettes?**

SBCC participants responded that non premium cigars were distributed in convenience stores, gas stations, etc. generally behind the counter like cigarettes. They were not sold in vending machines which have generally been outlawed in most states. Usage patterns for cigarillos and filtered cigars also tended to be older, and that if these cigars were interchangeable with cigarettes, categories like filtered cigars would have grown beyond the 2% level where that have remained despite lower prices. SBCC reiterated that any regulation or product standards promulgated by the agency needed to apply to both large and small cigars, and that the facts likely do not justify exemption for one particular class of cigars, such as larger premium cigars, or more stringent regulation such as restricting flavors for cigarillos or tipped or filtered cigars.

Mr. Altman spent several minutes discussing the Substantial Equivalence (SE) process, including the problems and challenges encountered by FDA's restrictive interpretation of existing requirements. He explained that the SE process presents a daunting challenge to both industry and FDA, using standards by which virtually any modification to a product, no matter how minor, has been interpreted to require a SE report. He noted the hundreds of tweaks and changes made to cigars each year, and the agency workload constituting

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tens of thousands of additional SE reports filed with FDA annually unless interpretations and effective dates can be modified.

**OIRA asked:**

- **What is the nature of these changes/tweaks to cigar products?**
- **When you are making changes, are these changes to the ingredients? What exactly are you changing?**

SBCC member companies explained that cigars are designed to appeal to consumers' taste profiles. Unlike cigarette smokers, who demonstrate long-standing loyalty to particular brands, cigar smokers often experiment to try new tastes, sizes and brands for variety that dictate these changes. Examples of line-extensions used by other products were referenced (snack foods, sodas, bottled water, energy drinks, alcohol, etc.). The nature of these changes, therefore, includes wrappers, packaging, blends, ring gauges and lengths as well as flavorings.

**OIRA sought to clarify that the position of the SBCC was not that FDA should not regulate cigars, but that cigar regulation must be different than cigarette regulation and must be tailored to the unique characteristics of the industry and products.**

The participants agreed and concluded by summarizing the position of the SBCC as follows:

- **Bottom Line.** The SBCC is not opposed to regulation. Its position is not, "Don't regulate us," but rather to ensure that any regulation is appropriately tailored to small businesses, with an understanding of the intricacies and characteristics of cigars, which represent a vastly different and more complex product than cigarettes. It was suggested that FDA stagger its requirements like was done under the TCA with registration/product listing first and other requirements effective as FDA is able to handle that additional information.
- **Date.** The date selected by FDA for grandfathering existing products could have devastating effects (including wiping out entire companies that may not have been in existence in 2007). Mr. Altman recommended the effective date of the regulation (and grandfathering) as the date of the final rule, or later, including additional time for any changes mandated by FDA which could raise questions of SE. [The rule's effective and transition dates seemed to be of significant interest to OIRA.]
- **SE Process.** The SE process has been a disaster on the cigarette/smokeless side. It has led to a backlog of over 3,800 applications. Given limited guidance and agency flexibility, SE reporting has proven to be one of the most perplexing and daunting provisions of the TCA. Small businesses simply do not have the

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resources to comply with the evolving and increasingly restrictive requirements that FDA has formulated. If FDA mandates all cigar companies to submit SE reports for "minor modifications" made since February 15, 2007, both FDA and industry will be overwhelmed. The SE provisions must be appropriately tailored to the cigar industry and should be required only for meaningful product changes.

- Flavors. The flavored cigar criticisms are unfounded. It is a myth that tobacco companies simply switched to flavored cigars once flavored cigarettes were banned (e.g., flavored cigarettes represented only 0.5% of the market). The products are not interchangeable due to the attributes of cigars. Flavors have been used historically in cigars. Any regulation banning flavors would wipe out 50%-80% of the cigar market. Notwithstanding the fact that "characterizing flavor" is an undefined and ambiguous term, the banning of flavors is unwarranted.
- Non Face-to-Face Sales. Online, mail-order and non-face-to-face sales represents a significant facet of the premium cigar industry. Appropriate technological safeguards exist to protect against underage ordering, diversion or use.
- Small Business Protections. It is critical that OMB and FDA understand that inflexible and ambiguous regulations severely strain the limited resources of small businesses. Protections built into the TCA have been largely ignored. It would be appropriate to prioritize TCA requirements intelligently, as they apply to cigars; stagger implementation with rolling effective and transition dates as was done for cigarette manufacturers in the TCA.

Mr. Altman mentioned user fees in closing. He noted that it is important to recognize that small businesses are particularly vulnerable to these escalating fees. FDA gets no additional user fees as it expands jurisdiction. The existing fee structure will be reallocated based on market share and percentage of excise taxes paid. He also stated that due to the very construct of the user fee calculation, companies could be required to pay a user fee based on a market share that may be higher than the companies' actual market share should they lose the right to market certain products under the deeming regulations, or subsequent agency action. Commissioner Hamburg complained recently in a public speech to Bloomberg News in NYC that FDA has had difficulty dealing with expanded jurisdiction without expanded resources. This is precisely the situation if FDA gains jurisdiction over cigars. Finally, all regulated products, including e-cigarettes and dissolvables, must pay their fair share of fees based on market percentage, or these fees become taxes that will likely be challenged in court.

**OIRA closed the meeting by asking about the expected economic impact of regulation on companies, and whether they estimated what it might cost them.**

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Mr. Brown stated that the cost of compliance is a daily concern to small companies and one that has been difficult to quantify. Mr. Altman indicated that, from CITMA's perspective, the cost to small cigarette/smokeless/RYO manufacturers has been tremendously more than anyone could have ever anticipated. It was noted that FDA has not reached out to any company to attempt to quantify these costs first-hand (and it is difficult to estimate without such dialogue). CITMA is preparing an analysis of these costs that will be shared with OIRA shortly. The participants offered to supply any statistics, data or other information that would help OMB/FDA better understand these issues.

Following the meeting, the OMB participants stated the importance of the information provided and their appreciation. They noted that the presentations had been substantive, organized and extremely valuable to further OIRA's understanding.

\* \* \*

The meeting commenced at 11:00 a.m. and concluded at 12:45 p.m.

John Dunham & Associates

A Review of the Food and Drug Administration's  
Regulatory Impact Analysis

A Revised Regulatory Impact Analysis That Follows the Guidelines  
Established by the Office of Management and Budget

The following statistics are contained within a report prepared by John Dunham and Associates, a New York City based economic research and consulting firm, assessing the impact of the proposed "Deeming Rule" on small businesses.

**Demographics of Small Businesses**

According to the Statistics of U.S. Businesses (SUSB) in 2011, 55 of the 61 firms (90.2 percent) in the OTP industry are small firms of fewer than 500 employees which is the SBA's definition of a small business in this particular industrial category. The full Dunham Report showed the tremendous growth in the number of ENDS manufacturers over the last few years. To get a better portrait of the industry and the impact of the Deeming Rule on small businesses, S.B.A.-Census data are projected onto the firm count below:

**Size of Other Tobacco Product Manufacturing Firms**

Firm Size (number of employees)	Number of Firms from Census	Percent of Firms	Number of Firms Affected by Deeming	Percent of Firms
0 to 4	31	50.80%	271	50.80%
5 to 19	8	13.10%	70	13.10%
20 to 99	13	21.30%	114	21.30%
100 to 499	3	4.90%	26	4.90%
Small Firms	55	90.20%	481	90.20%
500 and over	6	9.80%	52	9.80%

The industry will shrink from roughly 533 companies today to roughly 166 following enactment of the Deeming Rule. The vast majority of firms exiting the market would be smaller firms and companies with fewer than 20 employees are least likely to be able to sustain the increased cost. There would be sizable declines in the other small business categories. Large companies will be most capable of weathering the impact of the Deeming Rule.

**Estimated Number of Firms Remaining (By Size) Under Each Alternative**

Firm Size	Baseline	FDA Proposal	Information Alternative	Date Change Alternative	Grandfather Alternative
> 20	341	16	317	317	317
20 to 99	114	86	112	112	112
100 to 499	26	17	26	26	26

500 +	52	48	52	52	52
Total	533	166	506	506	506

#### Expected Economic Costs of Each Regulatory Alternative

The proposed rule includes eleven broad provisions each of which have vastly different costs and require varying degrees of expertise to complete. The Dunham Reports breaks down the estimated base cost of each of the following: 1) FDA's Proposed Rule; 2) the Information Alternative; 3) the Grandfather Date Alternative; and 4) the Enforcement Discretion Alternative. As the statistics in the Dunham Report (replicated below) demonstrate, all three alternatives provide for lower expected economic costs while still meeting the agency's goals.

#### Estimated Base Cost of Proposed Rule

Component	Initial Costs	Ongoing Costs (Discounted)	Total Costs
Establishment Registration	\$ 221,972	\$ 3,165,550	\$ 3,387,522
Product Listing	\$ 663,741	\$ 32,216	\$ 695,957
Ingredient Listing	\$ 1,424,721	\$ 222,243	\$ 1,646,965
Harmful Constituents	\$ 1,424,721	\$ 222,243	\$ 1,646,965
Tobacco Health Docs	\$ 1,276,057	\$ -	\$ 1,276,057
Premarket	\$ 231,874,695	\$ 59,295,740	\$ 291,170,435
Free Samples	\$ -	\$ -	\$ -
Private Sector Labeling	\$ 69,741,284	\$ -	\$ 69,741,284
Advertising Removal	\$ 4,662,421	\$ -	\$ 4,662,421
Minimum Age and ID	\$ -	\$ -	\$ -
Vending Machines	\$ -	\$ -	\$ -
Administrative Gov. Costs	\$ 13,965,000	\$ 199,154,961	\$ 213,119,961
<b>Total</b>	<b>\$ 325,254,613</b>	<b>\$ 262,092,954</b>	<b>\$ 587,347,567</b>

#### Estimated Base Cost for Information Alternative

Component	Initial Costs	Ongoing Costs (Discounted)	Total Costs
Establishment Registration	\$ 221,972	\$ 3,165,550	\$ 3,387,522
Product Listing	\$ 663,741	\$ 708,596	\$ 1,372,337
Ingredient Listing	\$ 4,349,852	\$ 4,888,222	\$ 9,238,074
Harmful Constituents	\$ 4,349,852	\$ 4,888,222	\$ 9,238,074
Tobacco Health Docs	\$ 1,276,057	\$ -	\$ 1,276,057
Premarket	\$ -	\$ -	\$ -
Free Samples	\$ -	\$ -	\$ -
Private Sector Labeling	\$ 190,606,125	\$ -	\$ 190,606,125
Advertising Removal	\$ -	\$ -	\$ -
Minimum Age and ID	\$ -	\$ -	\$ -
Vending Machines	\$ -	\$ -	\$ -
Administrative Gov. Costs	\$ 9,038,191	\$ 128,893,706	\$ 137,931,897
<b>Total</b>	<b>\$ 210,505,790</b>	<b>\$ 142,544,296</b>	<b>\$ 353,050,086</b>

**Estimated Base Cost for Grandfather Date Alternative**

Component	Initial Costs	Ongoing Costs (Discounted)	Total Costs
Establishment Registration	\$ 221,972	\$ 3,165,550	\$ 3,387,522
Product Listing	\$ 663,741	\$ 60,082	\$ 723,823
Ingredient Listing	\$ 4,349,852	\$ 414,476	\$ 4,764,328
Harmful Constituents	\$ 4,349,852	\$ 414,476	\$ 4,764,328
Tobacco Health Docs	\$ 1,276,057	\$ -	\$ 1,276,057
Premarket	\$ 8,407,386	\$ 5,903,842	\$ 14,311,228
Free Samples	\$ -	\$ -	\$ -
Private Sector Labeling	\$ 190,606,125	\$ -	\$ 190,606,125
Advertising Removal	\$ 4,662,421	\$ -	\$ 4,662,421
Minimum Age and ID	\$ -	\$ -	\$ -
Vending Machines	\$ -	\$ -	\$ -
Administrative Gov. Costs	\$ 9,624,526	\$ 137,255,427	\$ 146,879,953
<b>Total</b>	<b>\$ 224,161,932</b>	<b>\$ 147,213,854</b>	<b>\$ 371,375,786</b>

**Estimated Base Cost for Enforcement Discretion Alternative**

Component	Initial Costs	Ongoing Costs (Discounted)	Total Costs
Establishment Registration	\$ 221,972	\$ 3,165,550	\$ 3,387,522
Product Listing	\$ 663,741	\$ 32,216	\$ 695,957
Ingredient Listing	\$ 4,349,852	\$ 222,243	\$ 4,572,095
Harmful Constituents	\$ 4,349,852	\$ 222,243	\$ 4,572,095
Tobacco Health Docs	\$ 1,276,057	\$ -	\$ 1,276,057
Premarket	\$ 8,407,386	\$ 59,496,018	\$ 67,903,404
Free Samples	\$ -	\$ -	\$ -
Private Sector Labeling	\$ 190,606,125	\$ -	\$ 190,606,125
Advertising Removal	\$ 4,662,421	\$ -	\$ 4,662,421
Minimum Age and ID	\$ -	\$ -	\$ -
Vending Machines	\$ -	\$ -	\$ -
Administrative Gov. Costs	\$ 9,624,526	\$ 137,255,427	\$ 146,879,953
<b>Total</b>	<b>\$ 224,161,932</b>	<b>\$ 200,393,698</b>	<b>\$ 424,555,630</b>

**Conclusion**

The Dunham Report provides a relatively complete and fully substantiated RIA of this particular rule. Based on this recreated RIA, there is little if any evidence to suggest that the draconian proposal outlined by the FDA is necessary to meet the stated regulatory goals. Rather than taking this approach, it appears to be reasonable that the FDA should adopt a more market oriented approach (outlined as the Grandfather Date Alternative in the recreated RIA). This

### Aged 18 to 25

About 4.3 million young adults aged 18 to 25 in 2014 were daily cigarette smokers, or 43.0 percent of young adults who were current cigarette smokers (Table 1). The percentage of young adult current smokers who smoked cigarettes daily in 2014 was lower than the percentages in most years from 2002 to 2010, and it was stable between 2011 and 2014. In particular, at least half of the young adults who were current smokers in 2002 to 2005 smoked cigarettes every day (ranging from 50.1 to 52.7 percent). Nevertheless, about 2 in 5 young adults in 2014 who were current cigarette users smoked cigarettes daily. The percentage of young adult daily smokers who smoked one or more packs of cigarettes per day was lower in 2014 (22.5 percent) than in 2002 to 2011 (Figure 20).

### Aged 26 or Older

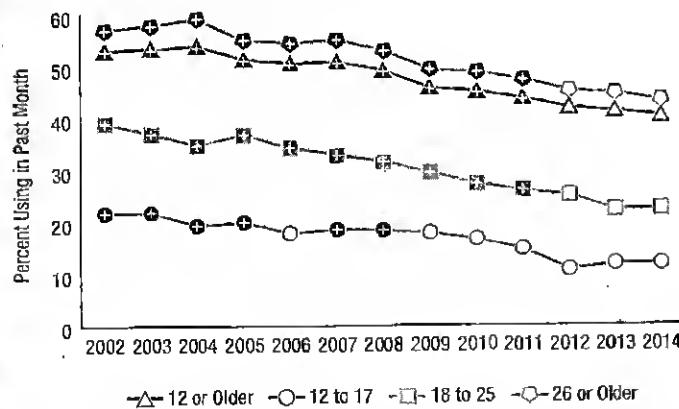
In 2014, about 27.9 million adults aged 26 or older smoked cigarettes every day, which represents 63.3 percent of the adults aged 26 or older who were current smokers (Table 1). The percentage of current smokers aged 26 or older in 2014 who smoked cigarettes every day was lower than the

percentages in most years from 2002 to 2012. Despite this decline, daily smokers represented nearly two thirds of current smokers in this age group in 2014. Among daily smokers aged 26 or older, the percentage who smoked one or more packs of cigarettes per day was lower in 2014 (43.3 percent) than in 2002 to 2011 (Figure 20).

### Cigar, Pipe Tobacco, and Smokeless Tobacco Use

An estimated 12.0 million people aged 12 or older in 2014 were current cigar smokers, 2.2 million smoked pipe tobacco in the past month, and 8.7 million were current smokeless tobacco users. These numbers correspond to 4.5 percent of the population aged 12 or older who were current cigar smokers (Figure 21), 0.8 percent who were current pipe tobacco smokers (Figure 22), and 3.3 percent who were current smokeless tobacco users (Figure 23). Among people aged 12 or older, the percentage who were current cigar smokers was lower in 2014 than in 2002 to 2012, but it was similar to the percentage in 2013. The percentages of people who were current pipe tobacco smokers or smokeless tobacco users in 2014 were similar to the percentages for most years between 2002 and 2013.

**Figure 20. Smokers of One or More Packs of Cigarettes per Day among Past Month Daily Cigarette Smokers Aged 12 or Older, by Age Group: Percentages, 2002-2014**



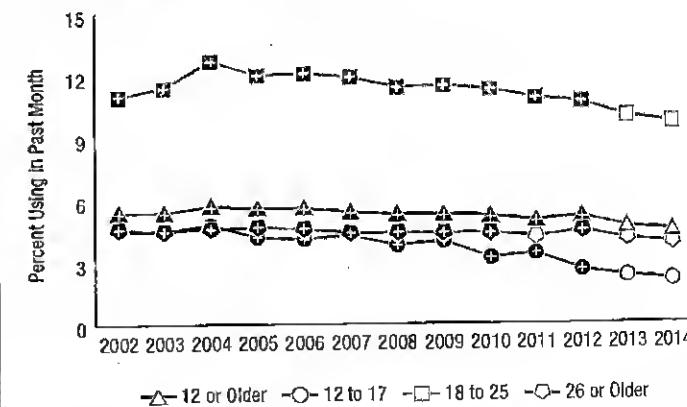
\* Difference between this estimate and the 2014 estimate is statistically significant at the .05 level.

**Figure 20 Table. Smokers of One or More Packs of Cigarettes per Day among Past Month Daily Cigarette Smokers Aged 12 or Older, by Age Group: Percentages, 2002-2014**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
12 or Older	53.1*	53.5*	54.0*	51.4*	50.6*	50.9*	49.2*	45.9*	45.1*	43.8*	42.0	41.3	40.3
12 to 17	21.8*	22.0*	19.4*	20.1*	17.9	18.7*	18.4*	17.9	16.7	14.8	10.8	11.9	11.9
18 to 25	39.1*	37.1*	34.9*	36.8*	34.4*	32.9*	31.6*	29.5*	27.3*	26.1*	25.1	22.3	22.5
26 or Older	57.1*	58.0*	59.2*	55.1*	54.5*	55.1*	53.0*	49.4*	48.8*	47.4*	45.2	44.7	43.3

\* Difference between this estimate and the 2014 estimate is statistically significant at the .05 level.

**Figure 21. Past Month Cigar Use among People Aged 12 or Older, by Age Group: Percentages, 2002-2014**



\* Difference between this estimate and the 2014 estimate is statistically significant at the .05 level.

**Figure 21 Table. Past Month Cigar Use among People Aged 12 or Older, by Age Group: Percentages, 2002-2014**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
12 or Older	5.4*	5.4*	5.7*	5.6*	5.6*	5.4*	5.3*	5.3*	5.2*	5.0*	5.2*	4.7	4.5
12 to 17	4.5*	4.5*	4.8*	4.2*	4.1*	4.3*	3.8*	4.0*	3.2*	3.4*	2.6*	2.3	2.1
18 to 25	11.0*	11.4*	12.7*	12.0*	12.1*	11.9*	11.4*	11.5*	11.3*	10.9*	10.7*	10.0	9.7
26 or Older	4.6*	4.5*	4.6*	4.7*	4.6*	4.4*	4.4*	4.4*	4.4*	4.4*	4.2	4.5*	4.1

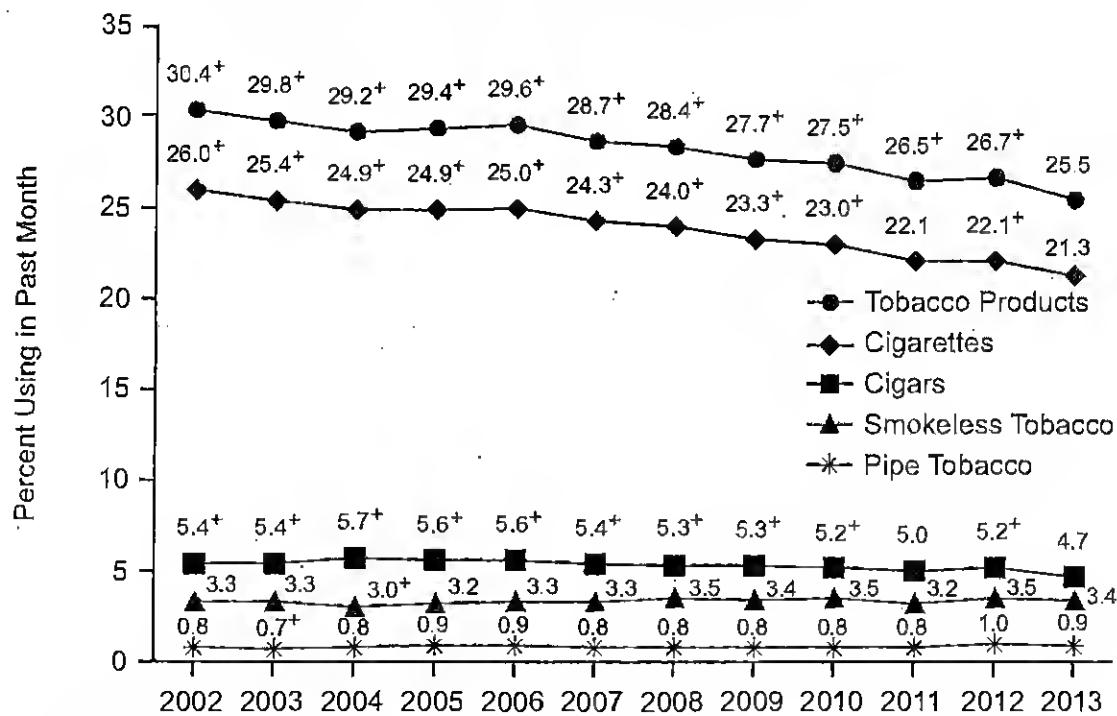
\* Difference between this estimate and the 2014 estimate is statistically significant at the .05 level.

## 4. Tobacco Use

The National Survey on Drug Use and Health (NSDUH) includes a series of questions about the use of tobacco products, including cigarettes, chewing tobacco, snuff, cigars, and pipe tobacco. Cigarette use is defined as smoking "part or all of a cigarette." For analytic purposes, data for chewing tobacco and snuff are combined and termed "smokeless tobacco."

- In 2013, an estimated 66.9 million Americans aged 12 or older were current (past month) users of a tobacco product. This represents 25.5 percent of the population in that age range (Figure 4.1). Also, 55.8 million persons (21.3 percent of the population) were current cigarette smokers; 12.4 million (4.7 percent) smoked cigars; 8.8 million (3.4 percent) used smokeless tobacco; and 2.3 million (0.9 percent) smoked tobacco in pipes.

**Figure 4.1 Past Month Tobacco Use among Persons Aged 12 or Older: 2002-2013**



<sup>+</sup> Difference between this estimate and the 2013 estimate is statistically significant at the .05 level.

- Between 2002 and 2013, past month use of any tobacco product among persons aged 12 or older decreased from 30.4 to 25.5 percent, and past month cigarette use declined from 26.0 to 21.3 percent (Figure 4.1). Past month cigar use decreased from 5.4 percent in 2002 to 4.7 percent in 2013. Rates of past month use of smokeless tobacco and pipe tobacco were similar in 2002 and 2013.

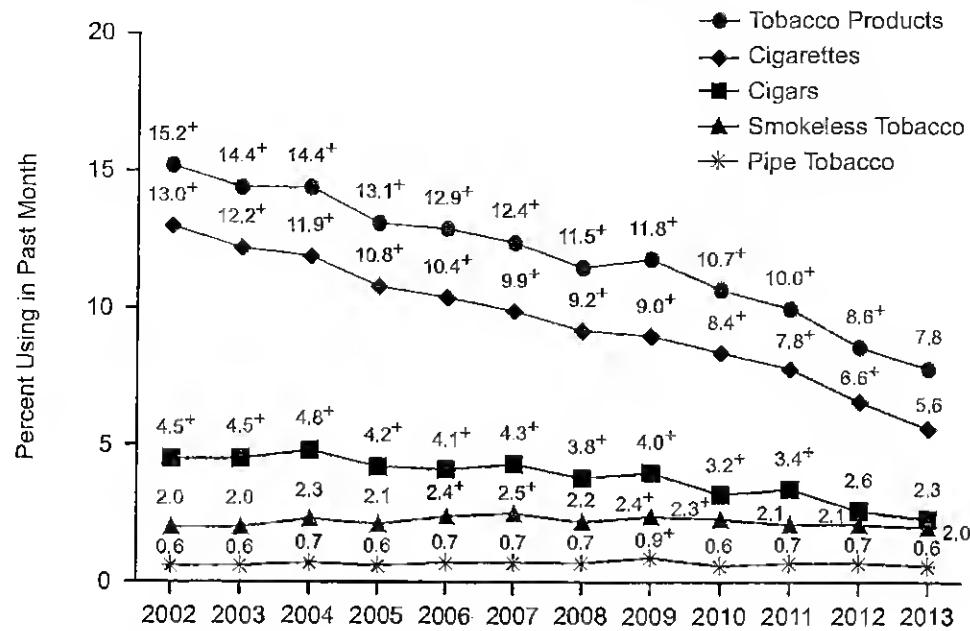
## Age

- In 2013, young adults aged 18 to 25 had the highest rate of current use of a tobacco product (37.0 percent), followed by adults aged 26 or older (25.7 percent), then by youths aged 12 to 17 (7.8 percent). Young adults also had the highest rates of current use of the specific tobacco products. Among young adults, the rates of past month use in 2013 were 30.6 percent for cigarettes, 10.0 percent for cigars, 5.8 percent for smokeless tobacco, and 2.2 percent for pipe tobacco.
- The rate of current use of a tobacco product by young adults aged 18 to 25 declined from 45.3 percent in 2002 to 37.0 percent in 2013. The rate of current cigarette use among young adults also declined from 40.8 percent in 2002 to 30.6 percent in 2013. However, the rates of current use of smokeless tobacco and pipe tobacco by young adults increased from 4.8 percent in 2002 to 5.8 percent in 2013 for smokeless tobacco and from 1.1 percent in 2002 to 2.2 percent in 2013 for pipe tobacco. The rates in 2013 for current use of a tobacco product, cigarettes, smokeless tobacco, and cigars among young adults were similar to the rates in 2012 (38.1, 31.8, 5.5, and 10.7 percent, respectively). However, the rate of pipe tobacco use among young adults in 2013 was higher than the rate in 2012 (1.8 percent).
- The rate of past month tobacco use among 12 to 17 year olds declined from 15.2 percent in 2002 to 7.8 percent in 2013, including a decline from 8.6 percent in 2012 (Figure 4.2). The rate of past month cigarette use among 12 to 17 year olds declined from 13.0 percent in 2002 to 5.6 percent in 2013. The rate of past month cigar use among this age group declined from 4.5 percent in 2002 to 2.3 percent in 2013. The rate of past month smokeless tobacco use among 12 to 17 year olds declined from 2.5 percent in 2007 to 2.0 percent in 2013, which was the same as the rate in 2002.
- Adults aged 21 to 34 had higher rates of current cigarette use than did persons in either older or younger age groups (Figure 4.3). Rates of current cigarette use in 2013 were similar among adults aged 30 to 34 (33.2 percent), those aged 21 to 25 (32.8 percent), and those aged 26 to 29 (32.7 percent). Among adults aged 35 or older in 2013, 19.0 percent smoked cigarettes in the past month.

## Gender

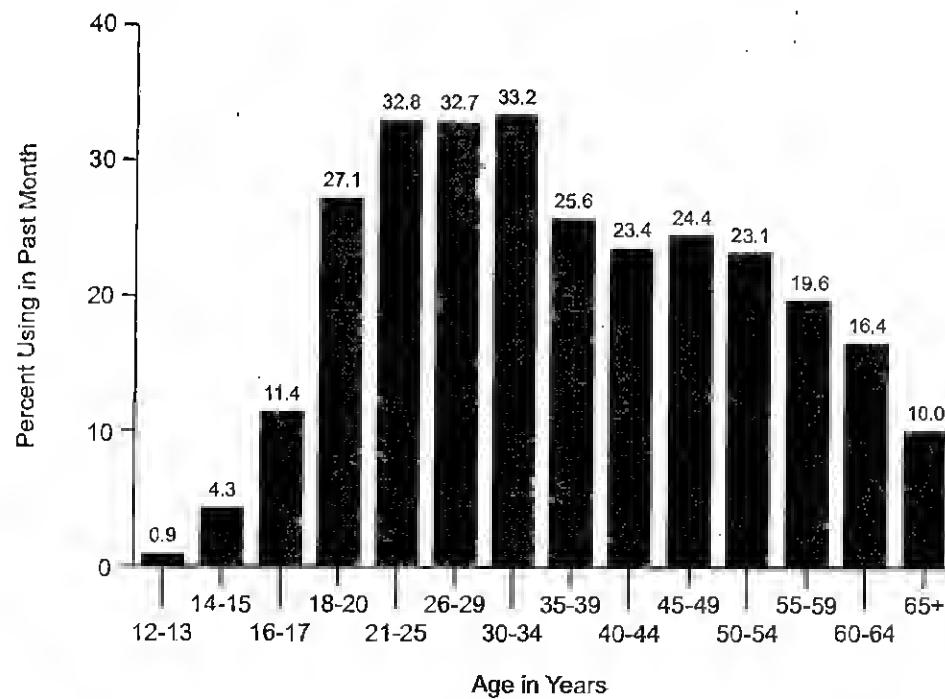
- In 2013, current use of a tobacco product among persons aged 12 or older was reported by a higher percentage of males (31.1 percent) than females (20.2 percent). Males also had higher rates of past month use than females of each specific tobacco product: cigarettes (23.6 percent among males vs. 19.0 percent among females), cigars (7.7 vs. 2.0 percent), smokeless tobacco (6.5 vs. 0.4 percent), and pipe tobacco (1.5 vs. 0.3 percent).

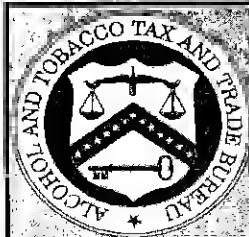
**Figure 4.2 Past Month Tobacco Use among Youths Aged 12 to 17: 2002-2013**



<sup>+</sup> Difference between this estimate and the 2013 estimate is statistically significant at the .05 level.

**Figure 4.3 Past Month Cigarette Use among Persons Aged 12 or Older, by Age: 2013**





**DEPARTMENT OF THE TREASURY**  
**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**  
**STATISTICAL REPORT - TOBACCO**

Report Date:  
05-OCT-2015  
Report Symbol:  
TTB S 5210-07-2015

Reporting Period: July 2015

Page: 1 of 2

(Number of Cigarettes & Cigars - Pounds of Pipe, Chewing Tobacco, Roll-Your-Own & Snuff)

Manufactured Domestically or Received from Puerto Rico	Current Month	Prior Month	Prior Year	Current Year	Prior Year
			Current Month	Cumulative Year to Date	Cumulative Year to Date
Cigarettes - Small	22,902,705,118	26,184,496,736	21,483,087,312	167,731,360,658	164,141,460,990
Cigarettes - Large	0	0	0	0	0
Cigars - Small	64,701,005	95,166,932	131,542,626	465,659,111	694,299,596
Cigars - Large	465,405,513	466,591,896	530,312,006	3,534,278,399	4,206,798,232
Snuff	10,526,193	10,084,114	10,075,915	68,666,466	67,532,417
Chewing Tobacco	1,356,949	1,827,250	1,485,080	11,640,591	12,747,966
Pipe Tobacco	2,853,716	3,189,418	3,183,609	21,701,851	22,914,285
Roll-Your-Own Tobacco	317,327	309,066	221,197	1,998,406	2,124,913
<b>Removed Taxable including from Puerto Rico</b>					
Cigarettes - Small	21,711,418,970	22,761,840,371	23,763,943,077	151,264,738,369	150,032,201,631
Cigarettes - Large	0	0	0	0	0
Cigars - Small	42,294,835	47,532,176	49,155,721	299,008,889	315,823,409
Cigars - Large <= \$763.222	433,163,816	431,241,21	502,287,766	2,906,734,342	2,964,768,897
> \$763.222	154,507	196,913	572,389	1,849,783	4,347,765
Total Large	433,318,323	431,436,934	502,860,154	2,908,584,105	3,969,116,562
Snuff	10,021,360	10,051,832	9,545,046	67,467,566	66,114,416
Chewing Tobacco	1,436,963	1,749,374	1,557,405	11,452,187	12,598,373
Pipe Tobacco	2,766,985	3,139,313	3,194,114	21,054,588	22,011,588
Roll-Your-Own Tobacco	279,031	345,565	246,106	1,940,724	1,942,708
<b>Removed Tax Exempt - Cigarettes</b>					
Small - Export	1,599,887,880	1,528,561,600	1,730,873,200	11,995,195,880	11,656,189,100
Transfer to Export Warehouses	143,141,600	122,539,600	129,640,000	799,795,400	949,333,800
Use of the U.S.	3,156,000	1,776,000	2,076,000	20,494,000	17,891,200
Personal Consumption/Experimental	2,495,510	1,652,566	1,718,794	62,778,355	11,550,965
Total Small	1,718,660,990	1,654,529,766	1,864,307,994	12,878,424,635	12,634,965,065
Large	0	0	0	0	0
<b>Removed Tax Exempt - Cigars</b>					
Small - Export	58,182,200	32,273,000	43,998,400	159,361,000	306,812,075
Transfer to Export Warehouses	0	0	0	0	4,566
Use of the U.S.	0	0	0	0	0
Personal Consumption/Experimental	18,409	15,008	12,611	31,111,866	10,8,412
Total Small	58,200,609	32,288,008	44,011,011	159,472,866	311,496,487
Large - Export	20,792,300	12,021,100	19,283,400	12,689,350	12,672,950
Transfer to Export Warehouses	0	0	0	0	1,749,800
Use of the U.S.	0	0	0	0	0
Personal Consumption/Experimental	37,644	32,264	19,550	216,063	336,025
Total Large	20,829,944	12,053,364	19,252,950	112,605,413	126,809,176

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	Current Month	Prior Month	Prior Year Current Month	Current Year Cumulative Year to Date	Prior Year Cumulative Year to Date
<b>Removed Tax Exempt - Smokeless Tobacco</b>					
Snuff - Export & To Export Warehouses	84,148	105,519	123,595	597,064	557,633
Other	1,155	890	803	9,739	13,216
Chewing Tobacco - Exp & To Exp. Whs.	2,736	3,082	3,096	13,718	13,393
Other	207	310	376	1,707	2,246
<b>Removed Tax Exempt - Pipe Tobacco</b>					
Export and To Export Warehouses	72,309	74,497	55,483	593,544	422,010
Other	141	247	161	1,495	1,237
<b>Removed Tax Exempt - Roll-Your-Own Tobacco</b>					
Export and To Export Warehouses	2,724	6,336	1,253	18,078	13,644
Other	14	6	9	82	566
<b>UNITED STATES - FOREIGN COUNTRIES</b>					
With Drawal of Duty - Import (Assume same time as census)					
Cigarettes					
Cigarettes, Total (USTSA 2402.20.1000, 2402.20.8000, 2402.20.9000)	703,281,000	955,278,000	764,679,000	4,963,774,000	4,647,611,000
Cigars - Small (USTSA 2402.10.3030, 2402.10.8030)	3,984,000	749,000	1,575,000	12,102,000	12,204,000
Cigars - Large (USTSA 2402.10.3070, 2402.10.6000)	623,245,000	642,960,000	401,937,000	3,879,776,000	3,541,291,000
(USTSA 2402.10.8050, 2402.10.8080)	20,725,000	16,958,000	20,582,000	110,885,000	110,581,000
Total Large	643,970,000	659,918,000	422,519,000	3,990,661,000	3,651,872,000
Snuff (USTSA 2403.99.2040)	48,211	48,766	61,397	351,035	390,124
Chewing Tobacco (USTSA 2403.99.2030)	79,232	39,507	82,693	486,219	326,445
Pipe Tobacco (USTSA 2403.10.2020, 2403.10.2080)	530,423	152,304	385,119	2,806,709	1,423,194
Roll-Your-Own Tobacco	14,052	12,644	19,290	153,809	102,272
(USTSA 2403.10.2050)					
Refers to Domestic factories within U.S. Payment of Tax - Cigarettes also in U.S. Domestic With Drawal Consumption					
Cigarettes - Small	0	0	10,000	10,000	118,000
Cigarettes - Large	0	0	0	0	0
Cigars - Small	0	0	0	0	0
Cigars - Large	0	0	0	0	232,500
Snuff	0	0	13	16	37
Chewing Tobacco	0	0	0	0	0
Pipe Tobacco	0	0	0	0	0
Roll-Your-Own Tobacco	0	0	0	0	0
<b>Onhand Close of Business</b>					
Cigarettes - Small	25,116,264,759	27,355,140,800	23,391,488,502		
Cigarettes - Large	5,412,320	0	0		
Cigars - Small	51,321,063	96,884,782	126,872,369		
Cigars - Large	412,415,886	532,446,807	551,288,300		
Snuff	3,732,923	3,381,766	3,722,244		
Chewing Tobacco	392,176	4981,220	891,729		
Pipe Tobacco	2,005,189	2,141,656	2,387,002		
Roll-Your-Own Tobacco	131,450	145,946	190,836		

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DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU  
STATISTICAL REPORT - TOBACCO

Report Date:  
09-MAR-2015  
Report Symbol:  
TTB S 5210-12-2014

Reporting Period: December 2014

Page: 1 of 2

(Number of Cigarettes & Cigars - Pounds of Pipe, Chewing Tobacco, Roll-Your-Own & Snuff)

Manufactured Domestically or Received from Puerto Rico	Current Month	Prior Month	Prior Year	Current Year	Prior Year
			Current Month	Cumulative Year to Date	Cumulative Year to Date
Cigarettes - Small	16,427,160,461	21,095,654,087	17,418,686,931	277,570,015,893	292,628,227,508
Cigarettes - Large	0	0	0	0	0
Cigars - Small	49,906,483	48,932,290	54,810,205	1,071,672,816	1,114,475,470
Cigars - Large	536,786,017	543,630,347	406,902,596	7,191,243,483	7,779,415,225
Snuff	9,188,459	8,819,434	9,793,529	115,198,192	115,162,719
Chewing Tobacco	1,455,165	1,569,928	1,268,694	21,286,873	21,849,273
Pipe Tobacco	3,170,899	2,507,391	2,860,923	38,542,286	38,566,204
Roll-Your-Own Tobacco	170,947	204,190	244,647	3,190,000	3,547,081
Removed Taxable including from Puerto Rico					
Cigarettes - Small	17,891,312,973	18,214,145,540	16,898,442,830	254,486,570,103	266,089,949,153
Cigarettes - Large	0	0	0	0	0
Cigars - Small	43,773,152	38,221,728	42,493,427	542,454,495	610,589,169
Cigars - Large <= \$763.222	537,452,256	482,120,111	496,211,364	6,954,728,172	7,758,873,419
> \$763.222	431,139	406,822	2,078,518	6,409,885	17,428,080
Total Large	537,383,395	482,526,933	498,289,872	6,961,138,057	7,766,301,499
Snuff	9,249,660	8,854,813	11,071,282	113,664,778	115,095,953
Chewing Tobacco	1,716,622	1,522,367	1,579,172	21,335,199	21,949,994
Pipe Tobacco	3,122,925	2,521,131	2,979,099	37,643,104	39,043,159
Roll-Your-Own Tobacco	244,699	165,758	260,979	1,3,042,245	3,629,741
Removed Tax Exempt - Cigarettes					
Small - Export	2,468,626,800	1,090,142,000	2,075,088,800	20,382,508,200	20,628,042,380
Transfer to Export Warehouses	109,117,200	117,074,800	103,024,800	1,565,130,600	1,865,380,800
Use of the U.S.	5,352,000	852,000	1,680,000	33,899,200	29,778,080
Personal Consumption/Experimental	1,220,326	1,475,064	1,262,318	19,216,219	21,304,861
Total Small	2,584,316,326	1,209,543,865	2,181,055,918	22,000,824,219	22,544,506,121
Large	0	0	0	0	0
Removed Tax Exempt - Cigars					
Small - Export	17,169,200	30,541,500	39,864,000	530,201,775	593,922,975
Transfer to Export Warehouses	0	0	0	4,566,000	0
Use of the U.S.	0	0	0	0	0
Personal Consumption/Experimental	4,490	26,832	17,852	204,590	242,401
Total Small	17,173,690	30,568,312	39,881,852	534,972,365	594,165,376
Large - Export	14,480,490	24,831,620	4,898,350	222,961,965	261,230,590
Transfer to Export Warehouses	0	0	0	1,757,941	8,000
Use of the U.S.	0	0	0	14,170	102,000
Personal Consumption/Experimental	21,214	40,949	25,935	526,436	837,104
Total Large	14,501,694	24,872,569	4,924,785	225,246,342	262,177,694

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	Current Month	Prior Month	Prior Year Current Month	Current Year Cumulative Year to Date	Prior Year Cumulative Year to Date
Removed Tax Exempt - Smokeless Tobacco					
Snuff - Export & To Export Warehouses	107,580	91,792	137,243	1,037,894	1,036,764
Other	1,966	844	3,377	18,438	21,071
Chewing Tobacco - Exp. & To Exp. Whs.	5,563	1,107	5,793	25,497	31,920
Other	73	460	116	3,431	3,079
Removed Tax Exempt - Pipe Tobacco					
Export and To Export Warehouses	67,887	4,476	21,365	675,137	342,725
Other	243	243	90	2,730	1,199
Removed Tax Exempt - Roll-Your-Own Tobacco					
Export and To Export Warehouses	0	7,501	12,082	27,994	24,880
Other	9	13	18	1,591	103
WIDGETS FROM OTHER COUNTRIES					
Cigarettes, Total (USTSA 2402.20.1000, 2402.20.8000, 2402.20.9000)	701,814,000	664,204,000	679,870,000	8,194,703,000	7,697,423,000
Cigars - Small (USTSA 2402.10.3030, 2402.10.8030)	958,000	3,259,300	2,089,000	21,403,000	18,855,000
Cigars - Large: (USTSA 2402.10.3070, 2402.10.6000)	456,045,000	504,650,000	287,755,000	5,967,001,000	4,508,380,000
(USTSA 2402.10.8050, 2402.10.8080)	19,132,000	16,205,000	7,609,000	202,556,000	208,043,000
Total Large	475,177,000	520,855,000	305,364,000	6,169,557,000	4,716,423,000
Snuff (USTSA 2403.99.2040)	49,036	78,396	77,091	702,966	654,149
Chewing Tobacco (USTSA 2403.99.2030)	52,380	102,026	34,119	630,212	489,659
Pipe Tobacco (USTSA 2403.10.2020, 2403.10.2080)	597,016	295,012	275,935	3,441,405	3,230,415
Roll-Your-Own Tobacco (USTSA 2403.10.2050)	6,195	25,521	7,044	194,950	226,264
Release to Domestic Factories Without Payment of Tax (Included also in above Entered/Withdrawn for Consumption Category)					
Cigarettes - Small	0	0	0	118,000	0
Cigarettes - Large	0	0	0	0	0
Cigars - Small	2	0	0	2	0
Cigars - Large	0	0	0	232,500	0
Snuff	0	6	0	45	0
Chewing Tobacco	0	0	0	0	0
Pipe Tobacco	0	0	0	0	0
Roll-Your-Own Tobacco	0	0	0	0	0
On Hand, Close of Business					
Cigarettes - Small	22,461,942,068	26,579,230,031	23,039,796,759		
Cigarettes - Large	49,371,496	64,523,870	61,933,468		
Cigars - Small	49,524,265,619	54,955,697	565,009,998		
Cigars - Large	3,253,704	3,439,172	4,121,223		
Snuff	2,121,699	2,130,564	1,917,961		
Chewing Tobacco	1,139,733	1,115,860	146,868		
Pipe Tobacco					
Roll-Your-Own Tobacco					

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**DEPARTMENT OF THE TREASURY**  
**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**  
**STATISTICAL REPORT - TOBACCO**

Report Date:  
06-MAR-2014  
Report Symbol:  
TTB S 5210-12-2013

Reporting Period: December 2013

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(Number of Cigarettes & Cigars - Pounds of Pipe, Chewing Tobacco, Roll-Your-Own & Snuff)

Manufactured Domestically or Received from Puerto Rico	Current Month	Prior Month	Prior Year Current Month	Current Year Cumulative Year to Date	Prior Year Cumulative Year to Date
Cigarettes - Small	17,416,812,931	21,925,228,681	17,335,083,799	292,626,353,508	304,051,644,284
Cigarettes - Large	0	0	0	0	0
Cigars - Small	54,810,205	88,827,843	74,934,402	1,114,475,470	1,252,011,245
Cigars - Large	407,022,821	616,674,595	553,263,516	7,779,502,552	10,053,382,067
Snuff	8,328,120	9,855,278	7,974,597	113,897,262	109,703,276
Chewing Tobacco	1,265,911	1,999,826	1,319,664	21,844,429	23,697,791
Pipe Tobacco	2,859,587	3,031,281	2,665,951	38,549,884	37,538,665
Roll-Your-Own Tobacco	1246,196	263,695	240,620	3,547,988	4,290,504

Removed Taxable including from Puerto Rico	Current Month	Prior Month	Prior Year Current Month	Current Year Cumulative Year to Date	Prior Year Cumulative Year to Date
Cigarettes - Small	16,896,568,830	21,921,748,570	18,494,250,256	268,088,075,153	280,137,703,382
Cigarettes - Large	0	0	0	0	0
Cigars - Small	42,493,427	46,240,334	44,552,623	610,589,169	697,022,891
Cigars - Large <= \$763.222	495,940,839	665,511,131	557,860,034	7,765,617,954	9,432,766,615
> \$783.222	2,063,617	1,337,573	1,612,102	17,386,165	17,778,151
Total Large	498,004,456	566,848,704	559,472,136	7,783,004,119	9,450,544,766
Snuff	8,327,853	9,604,516	8,224,467	112,352,476	107,626,111
Chewing Tobacco	1,575,281	1,890,488	1,602,728	21,944,042	23,800,851
Pipe Tobacco	2,974,021	2,944,018	2,797,724	39,017,640	36,453,461
Roll-Your-Own Tobacco	262,528	295,553	276,271	3,628,280	4,289,397

Removed Tax Exempt - Cigarettes	Current Month	Prior Month	Prior Year Current Month	Current Year Cumulative Year to Date	Prior Year Cumulative Year to Date
Small - Export	2,075,088,800	1,226,815,400	1,834,545,000	20,628,042,380	21,209,744,000
Transfer to Export Warehouses	108,024,800	143,923,000	166,912,400	1,865,380,800	2,053,770,000
Use of the U.S.	1,680,000	5,160,000	5,964,600	29,778,080	68,123,400
Personal Consumption/Experimental	1,262,318	1,631,435	1,249,041	21,304,861	23,195,022
Total Small	2,181,055,918	1,377,534,835	2,008,671,041	22,544,506,121	23,354,832,422
Large	0	0	0	0	0

Removed Tax Exempt - Cigars	Current Month	Prior Month	Prior Year Current Month	Current Year Cumulative Year to Date	Prior Year Cumulative Year to Date
Small - Export	39,864,000	55,033,200	42,670,000	593,922,975	499,973,957
Transfer to Export Warehouses	0	0	0	0	0
Use of the U.S.	0	0	0	0	6,120
Personal Consumption/Experimental	17,852	12,690	9,951	242,401	280,737
Total Small	39,881,852	55,045,890	42,673,951	594,165,376	504,156,174
Large - Export	4,398,850	12,743,800	9,382,550	261,230,590	492,734,308
Transfer to Export Warehouses	0	0	10,000	8,000	1,294,840
Use of the U.S.	0	0	12,400	102,000	40,400
Personal Consumption/Experimental	25,835	36,211	20,729	838,124	1,318,926
Total Large	4,924,685	12,780,011	9,426,979	262,767,14	495,388,474

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## STATISTICAL REPORT - TOBACCO

TTB S 5210-12-2013

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	Current Month	Prior Month	Prior Year Current Month	Current Year Cumulative Year to Date	Prior Year Cumulative Year to Date
<b>Removed Tax Exempt - Smokeless Tobacco</b>					
Snuff - Export & To Export Warehouses	68,625	83,900	82,801	968,146	1,058,791
Other	2,142	918	4,388	19,836	16,531
Chewing Tobacco - Exp. & To Exp. Whs.	5,793	2,450	4,767	31,920	45,432
Other	116	237	73	3,079	3,423
<b>Removed Tax Exempt - Pipe Tobacco</b>					
Export and To Export Warehouses	21,365	40,542	20,446	377,039	485,797
Other	111	149	140	1,011	831
<b>Removed Tax Exempt - Roll-Your-Own Tobacco</b>					
Export and To Export Warehouses	12,082	0	1,527	24,880	24,464
Other	18	0	5	96	192
<b>IM-OUT - F. GM F. F. F. C. UN-IM</b>					
Cigarettes, Total (USTSA 2402.20.1000, 2402.20.8000, 2402.20.9000)	679,870,000	542,279,000	676,195,000	7,697,423,000	7,348,808,000
Cigars - Small (USTSA 2402.10.3030, 2402.10.8030)	2,089,000	4,195,000	5,754,000	48,855,000	57,193,000
Cigars - Large. (USTSA 2402.10.3070, 2402.10.6000)	287,755,000	408,411,000	246,755,000	4,508,380,000	3,325,168,000
(USTSA 2402.10.8050, 2402.10.8080)	17,009,000	18,402,000	15,434,000	208,043,000	215,561,000
Total Large	305,364,000	426,813,000	262,189,000	4,716,423,000	3,586,024,000
Snuff (USTSA 2403.99.2040)	77,091	48,063	23,656	654,149	157,234
Chewing Tobacco (USTSA 2403.99.2030)	34,119	20,805	20,668	489,659	345,143
Pipe Tobacco (USTSA 2403.10.2020, 2403.10.2080)	275,936	260,888	232,411	3,230,415	2,523,189
Roll-Your-Own Tobacco (USTSA 2403.10.2050)	7,044	20,642	20,924	226,264	310,335
<b>Release to Domestic Factories Without Payment of Tax (Included also in above "Entered/Withdrawn or Consumption" Category)</b>					
Cigarettes - Small	0	0	0	0	54,000
Cigarettes - Large	0	0	0	0	0
Cigars - Small	0	0	0	0	0
Cigars - Large	0	0	0	0	0
Snuff	0	0	0	0	0
Chewing Tobacco	0	0	0	0	0
Pipe Tobacco	0	0	0	0	0
Roll-Your-Own Tobacco	0	0	0	0	0
<b>Onhand/Close of Business</b>					
Cigarettes - Small	23,038,561,159	24,817,811,639	21,202,963,192		
Cigarettes - Large	0	0	0		
Cigars - Small	61,935,431	88,946,532	149,391,909		
Cigars - Large	1,566,212,438	1,663,412,203	1,753,542,138		
Snuff	3,193,183	3,272,346	3,016,275		
Chewing Tobacco	1,141,152	5,046,777	804,270		
Pipe Tobacco	1,906,051	2,049,295	1,610,815		
Roll-Your-Own Tobacco	10,426,868	174,656	259,242		

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